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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/396,005	09/13/1999	KHAI HEE KWAN		6815

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EXAMINER

LE, DAVID Q

ART UNIT

PAPER NUMBER

3621

DATE MAILED: 09/29/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/396,005

Applicant(s)

KWAN, KHAI HEE

Examiner

David Q Le

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 23 June 2003.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 13-31 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 13-31 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☒ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☒ All b) ☐ Some \* c) ☐ None of:  
1. ☒ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_ 6) ☐ Other: \_\_\_\_\_

## DETAILED ACTION

### *Examiner's note*

1. The Examiner has pointed out particular references contained in the prior art of record in the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claims, other passages and figures apply as well. It is requested from the Applicant, in preparing the response, to consider fully the entire references as well as the context of all references passages as potentially teaching all or part of the claimed inventions.

### *Status of Claims*

2. Claims 13-25 were amended and Claims 26-31 were added per the Amendment received on 23 June 2003.

Claims 13-31 are now pending.

### *Priority*

3. An official copy of an application filed in Australia on 08/11/1999 from which this Application claims priority was received on 16 May 2003 as required by 35 U.S.C. 119(b). Acknowledgement of this priority claim is therefore made of Applicant's claim for foreign priority based on this Australian application.

### *Response to Amendment & Request for Consideration*

4. Applicant's arguments with respect to the previous claims 13-25 have been considered but are moot in view of the new ground(s) of rejection as applied to the new claims 13-31.

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Insofar as the applicability of David as a reference for the rejections used in this Action, Examiner has reviewed all the material from David cited herein in relation to Provisional Application 60/146628, and confirms that such material was disclosed in the original Provisional Application.

***Claim Rejections - 35 USC § 103***

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. **Claims 13, 15, 17, 19, 20-22, 24** are rejected under 35 U.S.C. 103(a) as being unpatentable over **David**, US Patent Application Publication No. US 2002/0073046 A1, in view of **Stimson et al.**, US Patent No 5,577,109, and further in view of **Rosen**, US Patent No. 5,455,407.

As per **claims 13, 17, 22.**

David, Stimson and Rosen all disclose (see David: Abstract; Summary of the Invention: Page 2, P22; P7, P85-88; Fig 6-8, associated text; and Stimson: C2, L1-4; L25-30; L32-36; L38-39; L42-44; C3 L64-67; and Rosen: Abstract; Summary of the Invention; Fig 36 and 46, associated text):

In an Internet system having a plurality of computers connected by a network, a payment [method, system, and computer executable software on storage media] executable at host server having a database to transfer funds over a network, under payer's control comprising:

prompting payer to input payer's account identifier and password;  
authenticating the said payer's account identifier and password for validity;

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prompting the payer to input payee's account identifier and fund transfer information;  
receiving said payee's account identifier and fund transfer information;  
upon authenticating the payee's account identifier, instantly crediting the fund to payee's account if the balance in the database associated with the payer account identifier and password is more than the fund for transfer; and  
instantly debiting the balance associated with the payer's account identifier and password in the database with the said fund transferred to payee's account; and

David's invention is directed to credit card transactions, while Stimson's invention directs itself to debit or stored value cards.

Rosen further discloses that such payments may be made (Fig 36, 46, associated text)  
in any currencies  
from user to user

None of the references specifically recites the phrase:  
said transfer is made without interacting with payee.

However Rosen teaches that his system's "money module" model may be made to run completely automated, without intervention from individuals themselves, as long as all the proper software and hardware had been pre-configured to transmit/receive, respond to, and provide proper authorization/credentials in response to said requests (Rosen: Summary of the Invention). Therefore a user to user payment scenario using Rosen's system and method would inherently include a "no intervention by payee" implementation.

It would have been obvious to one ordinarily skilled in the art at the time the invention was made to combine the features and capabilities taught by David, Stimson, and Rosen to provide a secure, convenient, and highly desirable electronic transaction system for users of credit, debit, and prepaid cards on a global, worldwide basis.

As per claims 15, 19, 24.

David, Stimson and Rosen all disclose (see all above citations):

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In an Internet system having a plurality of computers connected by a network, a [method, system, and computer executable software on storage media] using a for payment to a merchant over a network comprising:

- at the merchant server, receiving a request for payment for good or services by purchaser;
- generating a first dynamic transaction code to the host server;
- generating a second dynamic transaction code to the purchaser'
- at the host server having a database, receiving the first transaction code from the merchant server;
- requesting purchaser to provide second transaction code and security code from payment card;
- receiving the second transaction code and security code as input by purchaser;
- authenticating the first transaction code and second transaction code;
- authenticating the said security code for validity;
- upon authentication of the security code, instantly crediting the amount requested for payment to merchant's account if the balance in the database associated with the security code is more than the requested amount for payment; and
- notifying merchant server and purchaser.

Stimson further discloses using  
convertible prepaid cards

And Rosen discloses that transactions in his system may be done  
in any currencies

It would have been obvious to one ordinarily skilled in the art at the time the invention was made to combine the features and capabilities taught by David, Stimson, and Rosen to provide a secure, convenient, and highly desirable electronic transaction system for users of credit, debit, and prepaid cards on a global, worldwide basis.

As per claim 21.

David in view of Stimson and Rosen disclose all the limitations of claim 19.

David also discloses all the limitations of claim 21 (David: P5, P56): Stimson in particular specifically discloses "predetermined time period" for the use of debit cards in his system (Col2, Lines 16-24):

The system of Claim 19 wherein said transaction codes comprising  
encrypted purchase information, amount, merchant information and a fixed period of expectancy.

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As per Claims 16, 20, 25

David in view of Stimson and Rosen disclose all the limitations of claims 15, 19, 24, respectively.

Rosen further describe all the steps recited in these claims (Rosen: Fig 36, 46, associated text):

... said amount payable is in a currency other than the prepaid card's currency further comprising steps at the host server:

requesting purchaser to convert the equivalent amount in prepaid card's currency to the requested foreign currency amount if the balance in the database is more than the requested equivalent foreign currency amount for payment;

receiving approval by purchaser for converting the said equivalent amount to the requested foreign currency amount for the transaction;

instantly crediting the converted amount in foreign currency for payment to merchant's account; and

instantly debiting the said credited amount equivalent in prepaid card's currency associate with the purchaser's prepaid card account in the database.

It would have been obvious to one ordinarily skilled in the art to have included the capability for a payer to approve currency conversion rates prior to agreeing to a transaction, so as to make sure that no dispute would later arise as to the fairness of such conversion operations.

As per claims 14, 18, 23.

David in view of Stimson and Rosen disclose all the limitations of claims 13 and 22.

Stimson discloses how a debit card may be activated and discloses the following limitations of claims 14, 18, 23 (Stimson: C2, L1-4; L25-30; L32-36; L38-39; L42-44; C3 L64-67):

a step of storing and linking prepaid card amount to a user account identifier in the host server over a network comprising:

prompting user to enter security code associated with the prepaid card;

receiving the security code;

determining if the security code is valid;

determining if any identifier account is associated with the security code;

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if there is no account identifier associated with said code then prompt user to enter a unique user account identifier, password, storage period and currency to be stored;  
receiving the said user account identifier, password, storage period and currency as input by user;  
determining said user account identifier and password for uniqueness against other stored user account identifiers and passwords;  
calculating the stored value;  
output stored value to user; and  
if said user account identifier, password combination is unique and stored value is acceptable to user then add said account identifier and password into database linked with the stored value amount; and  
if said user account identifier, password combination is not unique and stored value is acceptable to user then link the stored value amount to said existing user account identifier and password in the database.

It would have been obvious to one ordinarily skilled in the art at the time the invention was made to have included an activation method as described by Stimson in a system based on David, Stimson, and Rosen, in order to provide a stronger protection element to the debit/stored value card system: the card user will be assured that only once properly activated by him/herself, will the account associated with the card be accessible for transactions.

As per claims 26-28

None of the references describes the formula used in a currency exchange operation as recited:

..calculation of the stored value is based at least in part on the formula below:

$$\text{Stored value} = B * D * L * C * R$$

Where B is the face value of the prepaid card, D is a factor related to storage period, L is a factor related to the value and loyalty of the customer that is based on his/her past purchases or prepaid cards, C is a factor relating to the cost of money and R is a factor concerning flexibility in currency stored.

However it is well known in the art that fees and/or costs for financial services rendered by institutions to clients vary from institution to institution and also from client to client within each institution, depending on many factors, including the size of the institution, its business goals, the desirability and loyalty of the client to the institution, etc. A conversion rate would follow the same principles and would



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inherently be different from institution to another, and maybe for one client versus another within an institution. Therefore it would have been obvious to one ordinarily skilled in the art to use a conversion formula structured as recited in these claims in order to reward clients for loyalty, amount of past business, and other positive factors and provide them incentives for continued patronage of each such institution.

As per claims 29-31

David in view of Stimson and Rosen disclose all the limitations of claim 13.

Stimson further clearly discloses that (see above citations)  
said fund is prepaid or stored value.

It would have been obvious to one ordinarily skilled in the art at the time the invention was made to combine the features and capabilities taught by David, Stimson, and Rosen to provide a secure, convenient, and highly desirable electronic transaction system for users of credit, debit, and prepaid cards on a global, worldwide basis.

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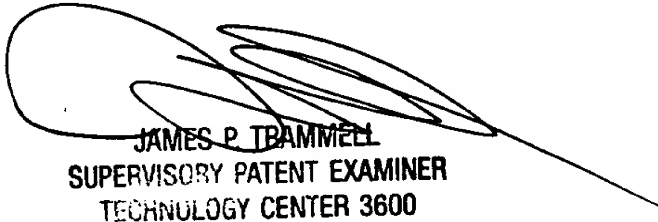
***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to David Q Le whose telephone number is 703-305-4567. The examiner can normally be reached on 8:30am-5:30pm Mo-Fri.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P Trammell can be reached on 703-305-9768. The fax phone number for the organization where this application or proceeding is assigned is (703) 872-9306.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.

DQL

  
JAMES P. TRAMMELL  
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